

AR32

Corp reports

Biltmore Hats
GUELPH CANADA *Limited*

ANNUAL REPORT

1967

Biltmore



FOR THE LOOK
IT GIVES YOU

DOBBS



KNOX



Buckley



BROOKS



Morgan



Biltmore



CANADIAN BEAVER

By BILTMORE

BILTMORE is proud of the meticulous crafting and exacting detail of the Canadian Beaver. Thick, long, high-lustre nap, badger brush, sport feather, unique tyrolean ornament. There's no other hat like it in all the world.

Biltmore Hats **GUELPH** **CANADA** *Limited*

DIRECTORS

WILLIAM F. FRANKE
NORMAN McMILLAN
MARTIN L. WILLS
D. MICHAEL McMILLAN
LEONARD D. GRIFFITHS

GUELPH, ONTARIO
GUELPH, ONTARIO
TORONTO, ONTARIO
GUELPH, ONTARIO
TORONTO, ONTARIO

OFFICERS

WILLIAM F. FRANKE
NORMAN McMILLAN
D. MICHAEL McMILLAN
MARTIN L. WILLS
GEORGE R. KINGSBURY
JOSEPH G. WEIST

CHAIRMAN OF THE BOARD
PRESIDENT
EXEC. VICE PRESIDENT & SECRETARY
VICE PRESIDENT
COMPTROLLER
MANUFACTURING MANAGER

REGISTRAR AND TRANSFER AGENTS

CANADA PERMANENT TRUST COMPANY, TORONTO

HEAD OFFICE

139 MORRIS ST.

GUELPH, CANADA

SALES OFFICES

VANCOUVER CALGARY EDMONTON
SASKATOON WINNIPEG
TORONTO OTTAWA
MONTREAL QUEBEC CITY HALIFAX
ST. JOHN'S NFLD.

ANNUAL GENERAL MEETING OF SHAREHOLDERS

JANUARY 20, 1968

The President's Report

TO OUR SHAREHOLDERS:

Your Directors are pleased to present the Consolidated Balance Sheet, Statement of Profit and Loss, and Surplus, and the Statement of Source and Application of Funds of your company for the year ending October 31, 1967.

DIVIDENDS:

Dividends of \$1.00 per share were paid on class "A" stock and .40 per share on common shares of the company during the year for a total of \$56,000. This is the 39th consecutive year a dividend has been paid.

EARNINGS:

The consolidated net earnings for the year 1967 are \$63,169 after taxes and all other charges which is a decrease of 30.7% from the net earnings in 1966 of \$91,173. Earnings on the combined Class "A" and common shares are .79 a share in 1967 compared to \$1.14 per share in 1966.

MARKETING:

A decline in your company's sales was a contributing factor to decreased earnings. Reduced sales at the retail level in the first quarter of 1967 effected both 1st quarter shipments and bookings for Fall '67.

The company's dominant share of the Canadian Men's Headwear market was maintained in 1967 through its continuing aggressive merchandising practices.

MANUFACTURING:

Increased costs were another definite contributing factor to decreased earnings. Wages have risen most significantly in 1967. At the writing of this report, the labour contract for the years 1967 - 70 is still under negotiation.

In order to make its operations more efficient your company completed two major projects in 1967.

(1) FABRIC HAT MANUFACTURING FACILITY SET UP IN GUELPH:

Your company completed the shutdown of the Winnipeg plant on October 31st. Before the shutdown, a new efficient fabric hat facility was established in the Guelph plant and progress has been quite satisfactory to date.

(2) BUILDING ADDITION:

At year end your company completed a 20,000 sq. ft. addition to the Guelph plant. This project has allowed your company:

- to consolidate warehouse and shipping operations under one roof.
- to use the extra space for improving the efficiency of several production departments.
- to shutdown the Winnipeg plant.

FINANCIAL:

Working Capital decreased by \$96,743.00 in 1967, because of expenditures for the new building and the set-up of the new Fabric Hat Department. Financing through a \$100,000 long term bond has been established and our Working Capital position will improve correspondingly.

GENERAL:

As Biltmore Hats Limited is the only publicly owned Manufacturer of Men's Headwear listed on any Canadian Stock Exchange, the government has approved the omission from our statement of sales figures.

We extend our thanks for the full support and co-operation of our co-workers and employees as well as thousands of retailers from coast to coast, all of whom have contributed to our successful operation.

On behalf of the Board of Directors,
Norman McMillan, President

DOBBS



Canadian Velours By Dobbs

DOBBS creates a rich, plush velour that will add zest to any wardrobe. Rakishly trimmed with braided band and brush ornament.



Biltmore Hats Limited

GUELPH

CANADA

AND ITS WHOLLY OWNED SUBSIDIARY

CONSOLIDATED BALANCE SHEET (WITH COMPARATIVE FIGURES)

ASSETS

Current	1967	1966
Cash.....	464	4,031
Accounts receivable, less allowance for doubtful accounts.....	1,227,023	1,408,354
Inventory of merchandise and supplies on hand at the lower of cost and market value.....	819,355	690,183
Prepaid Expenses.....	24,091	27,334
Total Current Assets.....	2,070,933	2,129,902
Special Refundable Tax.....	3,263	1,998
Life Insurance—At Cash Surrender Value.....	24,525	19,378
Fixed		
Land, building, machinery, equipment and automobiles—cost.....	1,252,214	1,167,573
Less		
Accumulated depreciation.....	881,309	867,489
	370,905	300,084
Other—at cost.....	16,680	15,000
	2,486,306	2,466,362

AUDITORS' REPORT

To the Shareholders of
Biltmore Hats Limited:

We have examined the above consolidated balance sheet of **Biltmore Hats Limited** and its wholly owned subsidiary as at October 31, 1967 and the consolidated statements of profit and loss, earned surplus and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at October 31, 1967 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Guelph, Ontario.
December 4, 1967.

WINSPEAR, HIGGINS, STEVENSON and DOANE
Chartered Accountants.

HEET, OCTOBER 31, 1967

(IN THOUSANDS OF DOLLARS)

LIABILITIES

Current	<u>1967</u>	<u>1966</u>
Bankers' advances.....	847,123	829,978
Accounts payable and accrued charges.....	355,250	291,735
Note Payable.....	25,000	37,500
Income and other taxes.....	61,588	91,974
	<hr/>	<hr/>
Total Current Liabilities.....	1,288,961	1,251,187
	<hr/>	<hr/>
Note Payable—6% due 1967.....		25,000
		<hr/>

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized		
50,000 cumulative preferred \$1.00 dividend non-redeemable participating class "A" shares without par value		
50,000 common shares without par value		
Issued and outstanding		
40,000 class "A" shares and 40,000 common shares	85,475	85,475
	<hr/>	<hr/>
Consolidated Earned Surplus.....	1,111,870	1,104,700
	<hr/>	<hr/>
	1,197,345	1,190,175
	<hr/>	<hr/>
	2,486,306	2,466,362
	<hr/>	<hr/>
Letters of Credit outstanding.....	6,080	5,108
	<hr/>	<hr/>

Approved on behalf of the Board

N. McMILLAN, Director.

D. M. McMILLAN, Director.



Biltmore Hats

GUELPH CANADA *Limited*

AND ITS WHOLLY OWNED SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED OCTOBER 31, 1967

(WITH COMPARATIVE FIGURES)

	<u>1967</u>	<u>1966</u>
Consolidated profit for the year before the following deductions.....	246,055	291,637
Directors' fees.....	1,300	1,300
Remuneration of Executive Officers.....	67,600	69,000
Depreciation.....	34,482	32,306
Pension plan premiums.....	24,503	25,858
	<u>127,885</u>	<u>128,464</u>
Profit before taxes on income.....	118,170	163,173
Federal and Provincial Income Taxes.....	55,000	72,000
Consolidated Net Profit for the year.....	<u>63,170</u>	<u>91,173</u>

CONSOLIDATED STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED OCTOBER 31, 1967

(WITH COMPARATIVE FIGURES)

	<u>1967</u>	<u>1966</u>
Balance November 1, 1966.....	1,104,700	1,069,527
Add: Consolidated net profit for the year.....	63,170	91,173
	<u>1,167,870</u>	<u>1,160,700</u>
Less: Dividends paid		
Class "A".....	40,000	40,000
Common.....	16,000	16,000
Balance, October 31, 1967.....	<u>1,111,870</u>	<u>1,104,700</u>



Biltmore Hats

GUELPH CANADA *Limited*

AND ITS WHOLLY OWNED SUBSIDIARY

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED OCTOBER 31, 1967

(WITH COMPARATIVE FIGURES)

	<u>1967</u>	<u>1966</u>
Source		
Net profit as stated.....	63,169	91,173
Depreciation.....	34,482	32,306
	<hr/>	<hr/>
Funds from operations.....	97,651	123,479
	<hr/>	<hr/>
Application		
Capital expenditures (net) for land, building and equipment.....	105,302	10,496
Investments.....	1,680	
Payment of Special Refundable Tax.....	1,265	1,998
Payment of dividends		
Class A shares.....	40,000	40,000
Common shares.....	15,000	16,000
Reduction of long term debt.....	25,000	37,500
Increase in life insurance cash surrender value.....	5,147	5,351
	<hr/>	<hr/>
	194,394	111,345
	<hr/>	<hr/>
Decrease in working capital.....	96,743	(12,134)
	<hr/>	<hr/>
Working capital, October 31.....	781,972	878,715
Working capital, November 1.....	878,715	866,581
	<hr/>	<hr/>
Decrease in working capital.....	96,743	(12,134)
	<hr/>	<hr/>

KNOX



ROYAL WARRANT by KNOX

A cloth hat superbly tailored by KNOX of superior wool fabrics that are made by the same British weaver who is, by appointment to Her Majesty Queen Elizabeth II. These fine fabrics are woven in a variety of distinguished checked and plaid patterns of subtle British colourings. KNOX Royal Warrant — it'll add a princely air to your casual wardrobe.

Biltmore



BILTMORE MILAN

One of the many styles and textures BILTMORE has in mind for Summer wardrobes.

This Milan is a classic a straw for all occasions, finely hand-crafted and cool.

